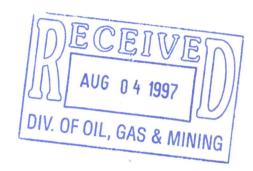


August 1, 1997

Mr. Anthony Gallegos Field Representative - State of Utah Utah Department of Natural Resources Division of Oil, Gas and Mining 1594 West North Temple, Suite 1220 Salt Lake City, Utah 84114



Dear Mr. Gallegos,

As we discussed on the telephone, Umetco Mineral Corp. desires to construct a temporary retention pond south of the Peterson waste pile. The pond is to be constructed as a precautionary measure to retain sediments during reclamation should a large storm event occur. Attached is a map showing the approximate location and size of the pond. The berm is to be constructed of earthen material at the site.

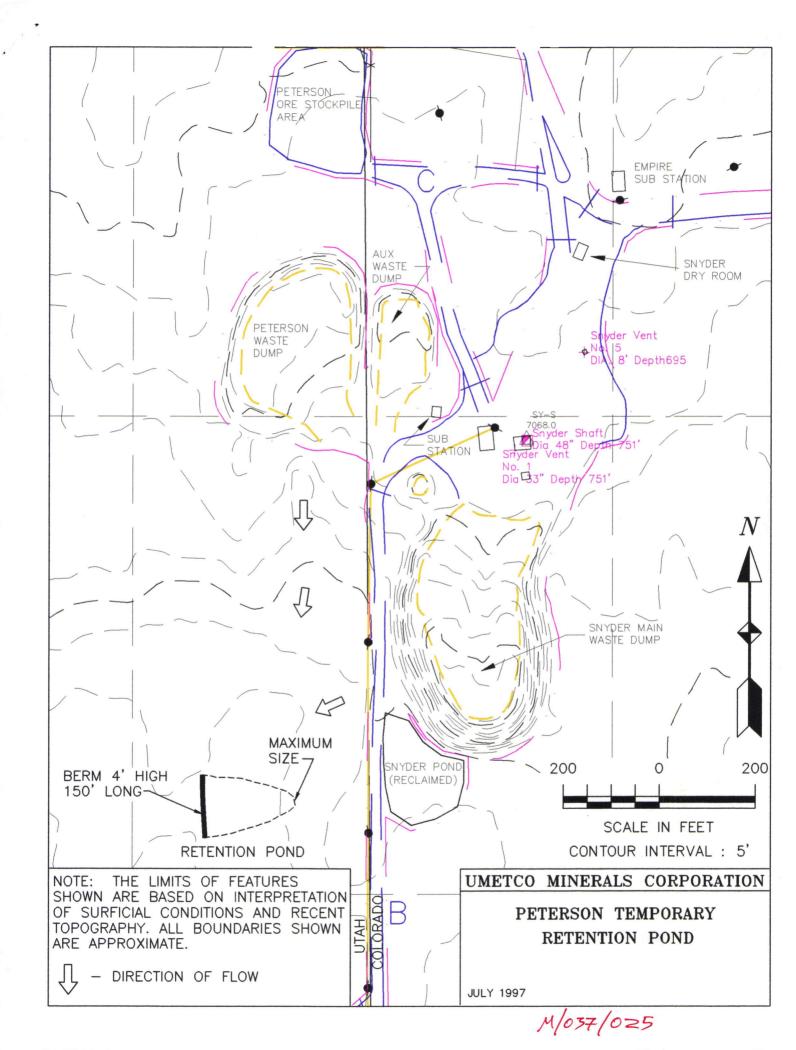
After reclamation of waste piles and mine roads are completed, the temporary retention pond will be reclaimed and vegetated.

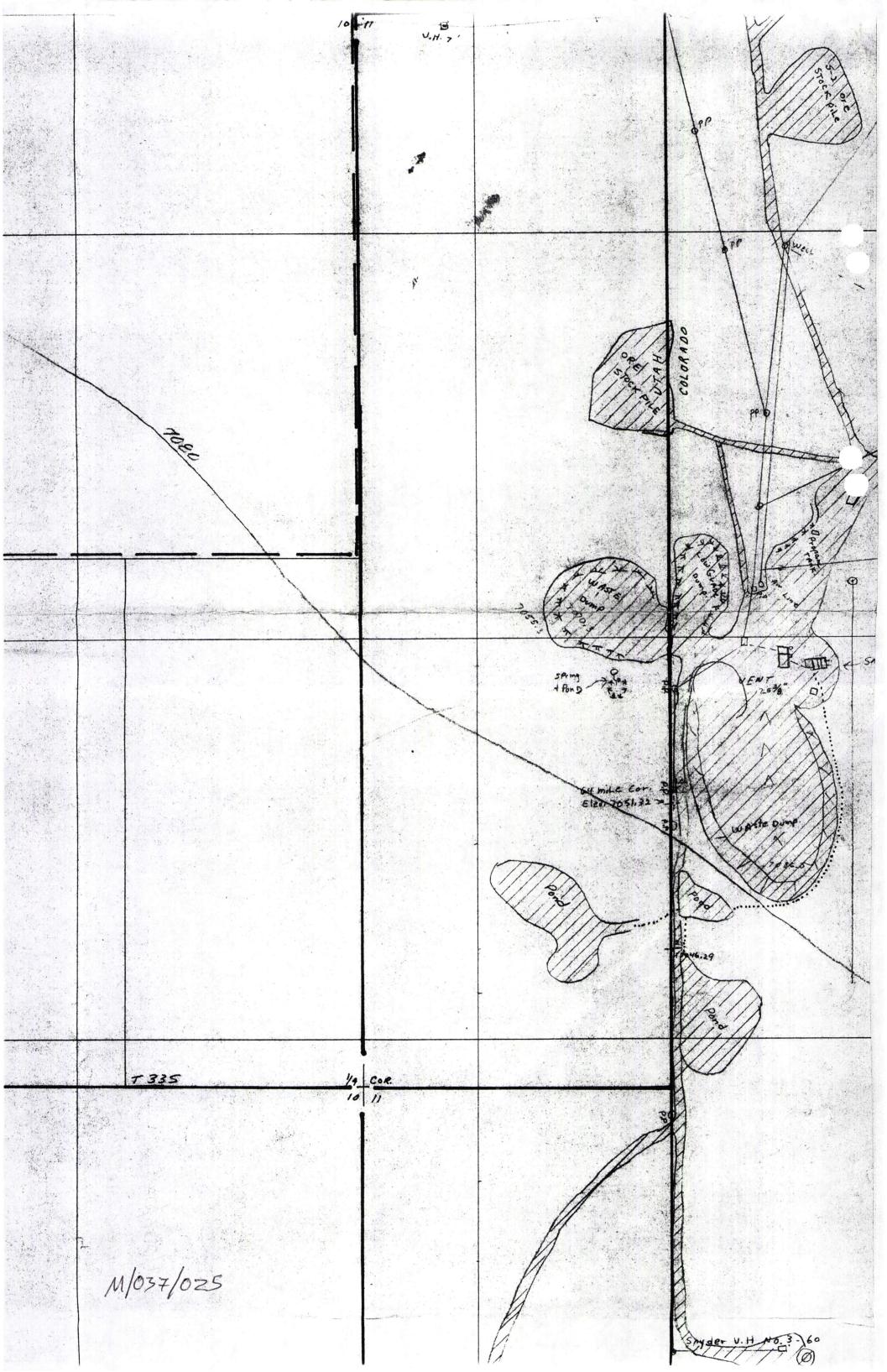
Sincerely,

Tony Bates

Mines Reclamation Manager

Attachments - 1





M/037/025 DERENO-PETERSON MINE UMETO MINEMYS CORP.